UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF INDIANA INDIANAPOLIS DIVISION

NORWOOD PROMOTIONAL PRODUCTS, LLC,)
Plaintiff,)
VS.) Cause No.: 1:09-cv-1378 LJM-JMS
KUSTOMKOOZIES, LLC and ROBERT LIDDLE,)))
Defendants.)

ANSWER AND AFFIRMATIVE DEFENSES TO DEFENDANTS' COUNTERCLAIM

Plaintiff, Norwood Promotional Products, LLC ("Norwood"), by and through its attorneys, for its Answer and Affirmative Defenses to Defendants KustomKoozies, LLC's and Robert Liddle's (collectively, "Kustom") Counterclaim, states:

- Norwood admits the allegations in Paragraphs 1 through 4 of Kustom's Counterclaim.
- Norwood denies the allegations in Paragraphs 5 through 16 of Kustom's Counterclaim.
- 3. Norwood admits that Lanham Act §37 gives this Court the power to cancel trademarks. Norwood denies the remainder of the allegation in Paragraph 18 of Kustom's Counterclaim.
- 4. Norwood denies the allegations in Paragraphs 19 through 24 of Kustom's Counterclaim.

AFFIRMATIVE DEFENSES

Norwood, by counsel, hereby sets forth its affirmative defenses.

- 1. Kustom's Counterclaim fails to state a claim upon which relief can be granted, and should be dismissed pursuant to Fed. R. Civ. P. 12(b)(6).
- 2. Kustom's Counterclaim is barred, in whole or in part, by the doctrines of waiver and/or estoppel.
- Kustom's Counterclaim is barred, in whole or in part, by the doctrine of prior material breach based upon Kustom's breach of its license agreement with Norwood.
- 4. Kustom's Counterclaim is barred, in whole or in part, by the doctrine of unclean hands.
- 5. Kustom's Counterclaim is barred, in whole or in part, by the doctrine of setoff.
- 6. Norwood reserves the right to assert additional affirmative defenses based on the results of discovery.

Respectfully submitted,

/s/Keirian A. Brown

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Attorneys for Plaintiff Norwood Promotional Products, LLC

CERTIFICATE OF SERVICE

I certify that on this 2nd day of April, 2010, a copy of the foregoing was filed electronically. Notice of this filing will be sent to the following counsel by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

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